Approved For Release 2008/12/10: CIA-RDP88-01070R000201180006-2 1 May 1984

BRITAIN/EMBASSY RATHER: British authorities, searching the now-vacant SHOOTING

Libyan embassy in London, said today they had confirmed what they had always believed, that the machine gun fire that killed an unarmed police woman did come from the building in St. James Square. Tom Fenton reports.

FENTON: Police said they found positive evidence that the murder weapon was fired from a second-floor window of the Libyan embassy. The removed the window for evidence. In an ornate second-floor front room, traces of gunpower were found beneath the window and a spent cartridge in a corner. Elsewhere in the elegant 70-room building, police discovered a small arsenal of handguns, ammunition and submachine gun accessories. But the submachine gun used to shoot policeman Yvonne Fletcher, at a distance of less than a hundred yards, was not found. Police believe it was carried back to Libyan in a sealed diplomatic bag. Police today narrowed the list of suspects in the killing to two of the 30 Libyans that were greeted like heroes by Colonel Knadafy after their return home. Both suspects, who were not named, have diplomatic status and could not be prosecuted under British law. In Parliament today, Prime Minister Thatcher announced she has ordered a review of her government's handling of the affair. VOICE OF PRIME MINISTER MARGARET THATCHER: If there are lessons to be learned in regard to the arrangements for handling. disseminating and assessing intelligence, the necessary changes will be made. (Unidentified voices in Parliament speaking unintelligibly) UNIDENTIFIED MALE VOICE: Order, order.

FENTON: Other measures announced by the government were new powers to expel diplomats who abused their status, a clamp-down on the number of Libyan students in Britain, now at 5,000, and an appeal for international action against Libya. The last item should please the Reagan administration, which has been seeking concerted action for several years. The British public is unhappy with the way the affair has ended. But Mrs. Thatcher, by keeping her distance and letting her ministers handle the details, has emerged from this crisis with her reputation intact. Tom Fenton, CBS News, London.